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November 9, 2020

VIA ELECTRONIC MAIL AND ECF: shl.chambers@nysb.uscourts.gov

The Honorable Sean H. Lane
United States Bankruptcy Court
for the Southern District of New York
One Bowling Green
New York, New York 10004-1408

**Re: *In re BSG Resources Limited (in administration)*
Chapter 15 Case No.: 19-11845 (SHL)
United States Bankruptcy Court for the Southern District of New York**

Dear Judge Lane:

We write on behalf of Richard Fleming, Mark Firmin and Carl Bowles (collectively, the “New Joint Administrators”) in their capacity as the new joint administrators for BSG Resources Limited (in administration) (“BSGR”) in connection with the upcoming status conference scheduled for Thursday, November 12, 2020 at 2:00 PM (prevailing Eastern Time) (the “Status Conference”) in the above-referenced chapter 15 case before Your Honor (the “Chapter 15 Case”).

As this Court is aware, on September 8, 2020, the Guernsey court discharged William Callewaert and Malcolm Cohen in their capacity as the former joint administrators for BSGR (together, the “Former Joint Administrators”) and appointed the New Joint Administrators. Since that time, the New Joint Administrators have, among other things, considered whether BSGR should continue to seek recognition of the Guernsey insolvency proceeding in the Chapter 15 Case and have discussed the same with, among others, BSGR’s largest creditor, Vale S.A. (“Vale”). While the New Joint Administrators’ analysis regarding recognition is not complete, we anticipate that the New Joint Administrators will likely decide to move forward with seeking recognition of the Guernsey insolvency proceeding and that Vale will support such relief.

There is one pressing issue, however, that the New Joint Administrators will present to the Court at the upcoming Status Conference. During the course of discovery in the Chapter 15 Case, the Former Joint Administrators produced documents to Vale (the “Chapter 15 Document Production”), virtually all of which were designated by the Former Joint Administrators as “confidential” and thereby subject to certain protections under the Protective Order entered by this Court on August 6, 2019 [ECF No. 39] (the “Protective Order”). Vale has challenged these designations and, at the time the New Joint Administrators were appointed, the matter was *sub judice* before Your Honor. While the New Joint Administrators still have not received the unredacted version of the Chapter 15 Document Production from the Former Joint Administrators,

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it appears that many of the Former Joint Administrators' designations may be inconsistent with the Protective Order. For the avoidance of doubt, the New Joint Administrators reserve all of their rights under the Protective Order and applicable law to determine which documents in the Chapter 15 Document Production are properly designated as confidential and also which documents may properly be withheld on privilege grounds.

Vale has requested that the New Joint Administrators resolve the pending dispute over confidentiality amicably without requiring this Court to adjudicate the pending motion. This matter has become urgent because Vale has expressed an immediate need to use 43 documents in the Chapter 15 Document Production in connection with the English CPR Part 71 examination on November 17, 2020 of Dag Cramer, who is a BSGR officer and director (the "Part 71 Examination"). Attached hereto as Exhibit A is a list of the 43 documents, which was previously provided to the Former Joint Administrators. The Part 71 Examination is a court-ordered examination of Mr. Cramer for the purpose of Mr. Cramer providing information required for Vale to enforce its judgment debt against BSGR. On the basis that the information relating to the Part 71 Examination will be relevant to the purposes of the administration and BSGR's assets, the New Joint Administrators intend to observe the examination. Vale requires the 43 documents in question to provide them to Mr. Cramer in advance of his examination and for the reasons set out below are unable to do so, given the Former Joint Administrators' confidentiality designation.

Surprisingly, despite having been discharged by the Guernsey court, the Former Joint Administrators have requested that the New Joint Administrators not lift any confidentiality designations (or privilege redactions, which were also the subject of dispute between the Former Joint Administrators and Vale) until the Former Joint Administrators have completed their review of the Chapter 15 Document Production. Specifically, the Former Joint Administrators wrote:

"We request that you as the Joint Administrators do not agree to lift any of the privilege redactions or the confidentiality designations on the documents produced to Vale in the Chapter 15 proceedings at this current time. The former joint administrators are currently undertaking a review of these documents to determine if there are any documents in respect of which the privilege belongs to the former joint administrators themselves and also whether any of the designated documents contain confidential or proprietary information of the joint administrators or BDO rather than the Company....In addition, please note that a number of the documents produced in the Chapter 15 proceedings are documents that we would consider to hold a proprietary claim over as the documents of the former joint administrators; however, their production in these proceedings has caused them to rightly become Company documents and they will be provided to you on that basis. The rights of the former administrators in respect of the other non-Company documents which are their property are reserved."

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See Letter dated September 23, 2020 sent by Malcolm Cohen, for and on behalf of BDO LP (“BDO”), to the New Joint Administrators (the “September 23, 2020 Letter”). A copy of the September 23, 2020 Letter is attached hereto as Exhibit B.

The New Joint Administrators believe that the Former Joint Administrators’ position is detrimental to the New Joint Administrators’ ongoing duty to comply with their pending discovery obligations pursuant to this Court’s orders and detrimental to the progress of the administration as a whole. By letter dated November 6, 2020 (the “November 6, 2020 Letter”), the New Joint Administrators notified the Former Joint Administrators of our intent to raise the foregoing issues at this week’s Status Conference and invited them to justify their position to the Court and explain how they have authority to act. A copy of the November 6, 2020 Letter is attached hereto as Exhibit C.

In light of the foregoing, at the upcoming Status Conference, we will respectfully request that Your Honor consider the following relief:

1. declaring and confirming that the New Joint Administrators have the right to continue to address and resolve the pending issues with respect to the confidentiality of the Chapter 15 Document Production (as well as any privilege issues) in accordance with the provisions of the Protective Order and applicable law, without interference from the Former Joint Administrators;
2. compelling the Former Joint Administrators to identify on or before November 13, 2020 at 5:30 PM (prevailing U.K. Time) which, if any, of the 43 documents at issue in the Part 71 Examination are “truly” confidential and the precise basis for such confidential designation; and
3. compelling the Former Joint Administrators to complete their review of the remaining documents in the Chapter 15 Document Production and to identify on or before November 24, 2020 at noon (prevailing U.K. time) which, if any, of such documents may be withheld on privilege grounds by the Former Joint Administrators and whether any such documents contain confidential or proprietary information of the Former Joint Administrators or BDO rather than the Company; and in connection therewith, produce the unredacted version of all non-privileged documents in the Chapter 15 Document Production.

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We thank the Court for its time and consideration.

Our best.

Respectfully submitted,

/s/ Steven J. Reisman

Steven J. Reisman

Shaya Rochester

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BSG Resources Limited (in administration)*

cc: Richard Fleming (Via E-mail: rfleming@alvarezandmarsal.com)
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Carl Bowles (Via E-mail: cbowles@alvarezandmarsal.com)
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(Cleary Gottlieb Steen & Hamilton LLP; counsel to Vale S.A.)
William Callewaert (Via E-mail: william.callewaert@bdo.gg)

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Malcolm Cohen (Via E-mail: malcolm.cohen@bdo.co.uk)

(Former Joint Administrators)

Rick Hyman, Esq. (Via E-mail: rhyman@duanemorris.com)

Mike Lastowski (Via E-mail: mlastowski@duanemorris.com)

(Duane Morris LLP, counsel to the Former Joint Administrators)

Exhibit A

List of 43 Documents at Issue in the Part 71 Examination

1.	JA0139880	Chart authored by BSGR relating to Vale's \$500 million payment
2.	JA0066920	Security Agreement in place between BSGR and Litigation Solutions Limited dated 4 March 2018
3.	JA0065049	Roslindale Audited Financial Statements dated December 2017
4.	JA0010224	Email from Dag Cramer to Peter Driver re. "Account Opening Mauritius" dated 13 March 2017.
5.	JA0016011	BSG Resources Limited (in Administration): Subsidiary Review (Tracking)
6.	JA0132767	BDO meeting note regarding Octea diamond sales
7.	JA0032070	
8.	JA0029343	Octea Limited Board Minutes dated 25 April 2017
9.	JA0023168	Series of emails between BSGR and Arkem re. "Audit query: Advisory fees (Nysco)"
10.	JA0023207	
11.	JA0100959	
12.	JA0023183	
13.	JA0023188	
14.	JA0081488	Written resolutions of the Board of Directors of the Company dated 16 February 2018
15.	JA0100971	Written resolutions of the Board of Directors of the Company dated 22 February 2018
16.	JA0032257	Letters from Mr Cohen to Nysco Management re. funding requests for Administration
17.	JA0032286	
18.	JA0017823	
19.	JA0005554	Correspondence between BDO and Cramer dated 1 August 2019
20.	JA0006549	

21.	JA0006576	
22.	JA0006002	Request for Arbitration – <i>Gabriel Resources Limited v Romania</i>
23.	JA0115498	Invoices between Alan Dershowitz and BSGR
24.	JA0115501	
25.	JA0085129	
26.	JA0128588	Memo from Mr Callewaert to BSGR on Roslindale summarising a call with Levy as a director of Roslindale dated 30 May 2019
27.	JA0016704	BDO/BSGR call note dated 14 June 2018 re. Vale arbitral award(with attorney-client privileged information redacted)
28.	JA0032657	BDO/BSGR call note dated 8 July 2019 re. Ocea (with attorney-client privileged information redacted)
29.	JA0145745	BDO note on meetings with Mr Steinmetz and Mr Barnett in connection with the ICSID Claim dated 8 February 2019 (with attorney-client privileged information and regulatory information redacted)
30.	JA0128588	BDO Memo to BSGR re. Roslindale Pte Limited dated 30 May 2019
31.	JA0012956	2011 PwC Transfer Pricing Report
32.	JA0111233	Reciprocal Confidentiality Agreement between Koidu Limited and Dimascan AG dated 3 August 2018
33.	JA0048819	Ocea Limited Board Minutes dated 28 February 2019
34.	JA0048468	Ocea Limited Written Resolution of the Directors dated 13 September 2018
35.	JA0048730	Ocea Limited Written Resolution of the Directors dated 16 January 2019
36.	JA0023131	Ocea Limited Board Minutes dated 12 December 2017
37.	JA0046199	Report on the Second Management Committee Meeting between Sierra Diamonds Ltd. and Ocea Mining Ltd dated 24 May 2019
38.	JA0015695	BDO File Note dated 20 March 2018 on BSGR/BDO Catch-Up Meeting (with attorney-client privileged information redacted)
39.	JA0025999	Implementation Agreement dated 20 September 2016 relating to the loan originally provided by Standard Chartered Bank Plc in September 2014
40.	JA001254	BSGR Board Minutes dated 9 February 2015
41.	JA0053457	Nammax Estimated Valuation dated 15 January 2015
42.	JA0053575	Email chain between Peter Driver and Omer Ben Matityahu in January 2015 re. “Roslindale – wire instructions”
43.	JA0065023	Letter from Deloitte to Forte Oil PLC dated 26 February 2019 re. United Capital PLC’s valuation of Forte Oil

Exhibit B

September 23, 2020 Letter



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23 September 2020

Attention: Carl Bowles as joint administrator of BSG Resources Limited

Dear Sirs

BSG Resources Limited (in administration) (the "Company")

As you will be aware the Company has made a Chapter 15 application to the US courts which has been opposed by Vale. An extensive discovery process has taken place, with Vale receiving in excess of 20,000 documents.

We request that you as the Joint Administrators do not agree to lift any of the privilege redactions or the confidentiality designations on the documents produced to Vale in the Chapter 15 proceedings at this current time. The former joint administrators are currently undertaking a review of these documents to determine if there are any documents in respect of which the privilege belongs to the former joint administrators themselves and also whether any of the designated documents contain confidential or proprietary information of the joint administrators or BDO rather than the Company.

Please confirm by reply that you will honour this request.

In addition, please note that a number of the documents produced in the Chapter 15 proceedings are documents that we would consider to hold a proprietary claim over as the documents of the former joint administrators; however, their production in these proceedings has caused them to rightly become Company documents and they will be provided to you on that basis. The rights of the former administrators in respect of the other non-Company documents which are their property are reserved.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. Cohen'.

Malcolm Cohen
For and on behalf of BDO LLP

Exhibit C

November 6, 2020 Letter



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Brighton BN1 2NW

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Mr M Cohen and Mr W Callewaert
Former Joint Administrators of
BSG Resources Limited in administration
c/o BDO LLP
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W1U 7EU

Our ref BSGREL-GADMP F70
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By email: malcolm.cohen@bdo.co.uk; william.callewaert@bdo.gg

Contact Hugh McGoldrick

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6 November 2020

Dear Sirs

BSG Resources Limited in administration ("the Company")
Joint Administrators: Richard Fleming, Mark Firmin and Carl Bowles

We refer to your letter of 23 September 2020 relating to the documents produced to Vale S.A ("Vale") in the Chapter 15 proceedings (the "Discovery Documents").

We confirmed in our letter of 2 October 2020 that pending your urgent review, we would not seek to lift the privilege or confidentiality redactions of the Discovery Documents, pending completion of your review for documents in respect of which privilege belongs to the former joint administrators personally or for documents containing confidential or proprietary information of the former joint administrators personally or BDO. We stated in our letter that we required an urgent update on the review as soon as possible and in any event prior to the status conference in the Chapter 15 proceedings on 12 November 2020 ("Status Conference"). We have not had any response from you on this or any update on the ongoing review. Can you please provide an update (as requested in our letter of 2 October 2020) in respect of your review as a matter of urgency. To the extent it is not complete, please confirm at what stage this review is and the expected timeframe to finalise this review (bearing in mind our appointment as replacement Administrators on 8 September 2020).

Separately, we have recently received a request from Cleary Gottlieb Steen & Hamilton LLP ("Cleary"), on behalf of Vale, requesting that the Joint Administrators consent to use a limited number of the Discovery Documents for the purpose of a Part 71 CPR examination of Dag Cramer on 17 November 2020 as part of Vale's enforcement proceedings in England (the requested documents are enclosed with this correspondence). Cleary have indicated that the use of this documentation is relevant to assets of the Company and as such is beneficial to the administration as a whole.

Given the forthcoming status conference on 12 November and Cleary's request (and the imminent date of the Part 71 examination), we request that you confirm by return (a) the status of the current review and expected timeframe for conclusion of this; and (b) confirm your position on the limited documents (43 documents) requested by Cleary on the basis they are relevant and of assistance to the administration.

Alvarez & Marsal Europe LLP is a limited liability partnership registered in England and Wales under number OC330414 at Tower Bridge House, St Katharine's Way, London, E1W 1DD. A list of the members is open to inspection at the registered office. VAT No: 8591830 92

BSG Resources Limited in administration
Company Number - 46565

Whilst we hope that this matter can be agreed consensually, in the absence of a resolution, we intend to write to the US Court in advance of the status conference of 12 November 2020 and raise your continued reservation of the confidentiality designations (as set out in your letter of 23 September 2020) and seek any directions either for the New Joint Administrators to have sole standing to determine issues of confidentiality designations (at least in respect of the documents referred to in the Cleary list) and/or that you provide the Court with a list of specific documents that fall within the categories indicated in your letter of 23 September 2020.

We look forward to hearing from you.

The Joint Administrators reserve their rights in full.

Yours faithfully



For and on behalf of BSG Resources Limited
Carl Bowles
Joint Administrator

The Company's affairs, business and property are being managed by the Joint Administrators who act without personal liability. Our [Privacy Notice](http://www.alvarezandmarsal.co.uk/terms-us) is available at www.alvarezandmarsal.co.uk/terms-us